

Independent Rates Oversight Committee – IROC

January 17, 2012

MINUTES

1. **Roll Call**

Chairperson Peugh brought the meeting to order at 9:37 a.m. Suzanne Ramirez, filling in for Monica Foster, called roll and a quorum was declared. Attendance is reflected below:

Member	Present	Absent
Jim Peugh, Chair	X	
Don Billings		X
Christopher Dull	X	
Andy Hollingworth		X
Jeff Justus	X	
Jack Kubota	X	
Colin Murray		X
Michael Ross		X
Irene Stallard-Rodriguez		X
Todd Webster	X	
Gail Welch	X	
Ex-Officios		
Augie Caires, Metro JPA	X	
Ken Williams, City 10	X	

Department representatives: Alex Ruiz, Assistant Director; Tom Crane, Assistant Director; and Tom Zeleny, Deputy City Attorney

2. **Non-Agenda Public Comment**

None.

3. **Approval of Draft Minutes from December 19, 2011**

Chairperson Peugh asked for a motion to approve the Draft Minutes. Committee Member Kubota noted two corrections: (1) Agenda Item #12 “FY2011 IROC Annual Report Development,” Mr. Kubota was referred to as Chairperson Kubota. This needs be changed to read Committee Member Kubota; and (2) Agenda Item #16 “IROC Member Comments,” it should be clarified that Ms. Ann Sasaki recently was recognized for achieving 25 years with the City of San Diego.

Action: Chairperson Peugh asked for a motion. Committee Member Kubota moved to approve the Minutes with said corrections, Committee Member Dull seconded. With Committee Member Welch abstaining, and Committee Members Billings, Hollingworth, Murray, Ross, and Stallard-Rodriguez absent, all other members were in favor.

4. **Chair Updates** – *Chairperson Peugh*

- Announced and recognized IROC’s newest member, Jeff Justus, who was recently appointed and has a professional background in the Construction/Irrigation field.
- Noted the City Attorney’s Office issued a Report to the Audit Committee on the role of IROC.

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5. **City Staff Updates**

- Alex Ruiz apprised the committee of upcoming Council Items.
- Ann Sasaki and Stan Medina updated IROC on Wastewater and Water breaks/Spills.

6. **Presentation from Public Works, Engineering & Capital Improvements Program on CIP Streamlining**

James Nagelvoort, Assistant Director of Engineering, presented on changes to the contract Bid and Award process that are to be submitted to City Council to speed up the time to get CIP projects started.

Ex-officio Member Williams asked if Mr. Nagelvoort agreed with those who say that Public Utilities CIP projects are falling behind. Mr. Nagelvoort indicated that from a “spend and draw down perspective,” it could appear that we are behind, but from a “project schedule standpoint,” we are not behind.

Chairperson Peugh asked if there is a down side to streamlining methods. Mr. Nagelvoort indicated that the change tends to shift the authority to the Mayor from the City Council on project approval, but in his estimation, this only applies to aspects of the project request process that typically get approved without opposition.

Committee Member Welch asked how much contingency funding is in the CIP projects. Mr. Nagelvoort said that most projects have 5% contingency funding.

7. **FY2011 IROC Annual Report Adoption**

Chairperson Peugh and Ernie Linares, staff member, informed IROC that the new approval timeline is for the Finance Subcommittee to have a special meeting on February 6 to adopt the draft Finance portion and to submit the overall report to be adopted at the IROC meeting of February 21.

Staff will review and provide input after the Finance Subcommittee has approved the latest draft.

8. **Water Reliability Program: Consultant Agreement for Comprehensive Groundwater Services with CH2M Hill**

George Adrian and Marsi Steirer presented to IROC, providing a review of the City’s Groundwater resources, basins, and benefits. Also described were CH2M Hill’s 5-year contract, Scope of Work, as well as the Cost and Schedule. Requested action was to support a five-year contract with CH2M Hill to provide Technical Groundwater Services.

Action: Chairperson Peugh asked for a motion. Committee Member Kubota moved to support the Project as presented, and award to CH2MHill. Committee Member Welch

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seconded. With Committee Members Billings, Hollingworth, Murray, Ross, and Stallard-Rodriguez absent, all other members were in favor.

9. **Public Utilities Department/Wastewater Treatment & Disposal – Back-up Generation Project**

Richard Snow and Ann Sasaki presented, giving background to the Project and listing the facilities to receive portable generator units. These include: Pump Stations 1, 64, 65, Penasquitos, and North City Water Reclamation Plant; the Environmental Monitoring and Technical Services Laboratory will receive a larger skid mount generator. Also highlighted were the major project components, permanent installation plans, as well as estimated total project costs.

Action: Chairperson Peugh asked for a motion. Committee Member Dull moved to support the Project as presented. Committee Member Justus seconded. With Committee Members Billings, Hollingworth, Murray, Ross, and Stallard-Rodriguez absent, all other members were in favor.

10. **Advanced Metering Infrastructure Project**

This could not be presented due to only six members being present at the meeting, and Committee Member Dull recused himself on the item. This resulted in the item being trailed to the February IROC meeting for a vote. It will also return to the next Environmental & Technical Subcommittee.

11. **Public Utilities' SAP Enterprise Asset Management Implementation (This item was continued from the December 19, 2011 IROC meeting)**

Susan Bowman and Tom Crane presented a description of what the Utility-wide SAP EAM Solution provides and its operational efficiencies, technical support and licensing cost savings, as well as the system replacement cost avoidances. The Public Utilities Department has budgeted the implementation in FY's13-15.

Action: Chairperson Peugh asked for a motion. Committee Member Welch moved to support the project and Committee Member Kubota seconded. With Committee Members Billings, Hollingworth, Murray, Ross, and Stallard-Rodriguez absent, all other members were in favor.

12. **Subcommittee Reports:**

a. **Finance**

- Subcommittee Member Williams indicated that Finance met on January 13 to go over the Finance portion of the FY11 IROC Annual Report. He indicated that the Report will be revised and re-submitted to the Finance Subcommittee in the next meeting.

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b. Environmental & Technical

- Subcommittee Chairperson Webster indicated that AMI and the E&T Portion of the FY11 IROC Annual Report was discussed at the December E&T subcommittee meeting. He indicated the Subcommittee voted unanimously to recommend approval of the E&T portion to the full IROC.

c. Public Outreach, Education & Customer Service

- Subcommittee Chairperson Welch indicated that the Water Conservation campaign, External Affairs Program and the POECS Portion of the FY11 IROC Annual Report were discussed at the December POECS Subcommittee meeting. She added the Subcommittee voted unanimously to recommend approval of the POE&CS portion to the full IROC.

13. Metro/JPA – Report Out – Augie Caires

- Reviewed the Metro Capital Improvement Program for 2012 through 2016.
- Reviewed and discussed the Metro JPA Draft Strategic Plan.
- Reviewed and approved the Exhibit E Agreed Upon Procedures for the upcoming audit.

14. Proposed Agenda Items for the next IROC Meeting

- Advanced Metering Infrastructure Project

15. IROC Member's Comments

None.

Meeting adjourned at 12:00 noon.